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# HOUSE BILL No. 1231

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 25-1; IC 25-20.2; IC 34-30-2-98.8.

**Synopsis:** Home inspector licensure. Establishes the Indiana home inspectors licensing board to regulate home inspectors and associate home inspectors in Indiana. Sets the qualifications for licensed home inspectors and associate home inspectors. Provides that a person who performs home inspections for compensation without a license commits a Class B infraction. Provides that current home inspectors who meet certain requirements may be issued a license by the board. Provides that a person is not required to be licensed to perform home inspection until after December 31, 2002.

**Effective:** July 1, 2001.

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**Kuzman**

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January 9, 2001, read first time and referred to Committee on Judiciary.

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First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

## HOUSE BILL No. 1231

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A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 25-1-2-2.1 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2.1. Rather than being  
3 issued annually, the following permits, licenses, certificates of  
4 registration, or evidences of authority granted by a state agency must  
5 be issued for a period of two (2) years or for the period specified in the  
6 article under which the permit, license, certificate of registration, or  
7 evidence of authority is issued if the period specified in the article is  
8 longer than two (2) years:  
9 (1) Certified public accountants, public accountants, and  
10 accounting practitioners.  
11 (2) Architects and landscape architects.  
12 (3) Dry cleaners.  
13 (4) Professional engineers.  
14 (5) Land surveyors.  
15 (6) Real estate brokers.  
16 (7) Real estate agents.  
17 (8) Security dealers' licenses issued by the securities



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- commissioner.
- (9) Dental hygienists.
- (10) Dentists.
- (11) Veterinarians.
- (12) Physicians.
- (13) Chiropractors.
- (14) Physical therapists.
- (15) Optometrists.
- (16) Pharmacists and assistants, drugstores or pharmacies.
- (17) Motels and mobile home park licenses.
- (18) Nurses.
- (19) Podiatrists.
- (20) Occupational therapists and occupational therapy assistants.
- (21) Respiratory care practitioners.
- (22) Social workers, marriage and family therapists, and mental health counselors.
- (23) Real estate appraiser licenses and certificates issued by the real estate appraiser licensure and certification board.
- (24) Wholesale legend drug distributors.
- (25) Physician assistants.
- (26) Dietitians.
- (27) Hypnotists.

**(28) Home inspectors and associate home inspectors.**

SECTION 2. IC 25-1-2-6, AS AMENDED BY P.L.82-2000, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 6. (a) As used in this section, "license" includes all occupational and professional licenses, registrations, permits, and certificates issued under the Indiana Code, and "licensee" includes all occupational and professional licensees, registrants, permittees, and certificate holders regulated under the Indiana Code.

(b) This section applies to the following entities that regulate occupations or professions under the Indiana Code:

- (1) Indiana board of accountancy.
- (2) Indiana grain buyers and warehouse licensing agency.
- (3) Indiana auctioneer commission.
- (4) Board of registration for architects and landscape architects.
- (5) State board of barber examiners.
- (6) State board of cosmetology examiners.
- (7) Medical licensing board of Indiana.
- (8) Secretary of state.
- (9) State board of dentistry.
- (10) State board of funeral and cemetery service.



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- 1 (11) Worker's compensation board of Indiana.
- 2 (12) Indiana state board of health facility administrators.
- 3 (13) Committee of hearing aid dealer examiners.
- 4 (14) Indiana state board of nursing.
- 5 (15) Indiana optometry board.
- 6 (16) Indiana board of pharmacy.
- 7 (17) Indiana plumbing commission.
- 8 (18) Board of podiatric medicine.
- 9 (19) Private detectives licensing board.
- 10 (20) State board of registration for professional engineers.
- 11 (21) Board of environmental health specialists.
- 12 (22) State psychology board.
- 13 (23) Indiana real estate commission.
- 14 (24) Speech-language pathology and audiology board.
- 15 (25) Department of natural resources.
- 16 (26) State boxing commission.
- 17 (27) Board of chiropractic examiners.
- 18 (28) Mining board.
- 19 (29) Indiana board of veterinary medical examiners.
- 20 (30) State department of health.
- 21 (31) Indiana physical therapy committee.
- 22 (32) Respiratory care committee.
- 23 (33) Occupational therapy committee.
- 24 (34) Social worker, marriage and family therapist, and mental
- 25 health counselor board.
- 26 (35) Real estate appraiser licensure and certification board.
- 27 (36) State board of registration for land surveyors.
- 28 (37) Physician assistant committee.
- 29 (38) Indiana dietitians certification board.
- 30 (39) Indiana hypnotist committee.
- 31 (40) **Indiana home inspectors licensing board.**
- 32 (41) Any other occupational or professional agency created after
- 33 June 30, 1981.
- 34 (c) Notwithstanding any other law, the entities included in
- 35 subsection (b) shall send a notice of the upcoming expiration of a
- 36 license to each licensee at least sixty (60) days prior to the expiration
- 37 of the license. The notice must inform the licensee of the need to renew
- 38 and the requirement of payment of the renewal fee. If this notice of
- 39 expiration is not sent by the entity, the licensee is not subject to a
- 40 sanction for failure to renew if, once notice is received from the entity,
- 41 the license is renewed within forty-five (45) days of the receipt of the
- 42 notice.

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SECTION 3. IC 25-1-6-3, AS AMENDED BY P.L.82-2000, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. (a) There is established the Indiana professional licensing agency. The licensing agency shall perform all administrative functions, duties, and responsibilities assigned by law or rule to the executive director, secretary, or other statutory administrator of the following:

- (1) Indiana board of accountancy (IC 25-2.1-2-1).
- (2) Board of registration for architects and landscape architects (IC 25-4-1-2).
- (3) Indiana auctioneer commission (IC 25-6.1-2-1).
- (4) State board of barber examiners (IC 25-7-5-1).
- (5) State boxing commission (IC 25-9-1).
- (6) State board of cosmetology examiners (IC 25-8-3-1).
- (7) State board of funeral and cemetery service (IC 25-15-9).
- (8) State board of registration for professional engineers (IC 25-31-1-3).
- (9) Indiana plumbing commission (IC 25-28.5-1-3).
- (10) Indiana real estate commission (IC 25-34.1).
- ~~(11) Until July 1, 1996, Indiana State board of television and radio service examiners (IC 25-36-1-4).~~
- ~~(12)~~ **(11)** Real estate appraiser licensure and certification board (IC 25-34.1-8-1).
- ~~(13)~~ **(12)** Private detectives licensing board (IC 25-30-1-5.1).
- ~~(14)~~ **(13)** State board of registration for land surveyors (IC 25-21.5-2-1).

**(14) Indiana home inspectors licensing board (IC 25-20.2-2-1).**

(b) Nothing in this chapter may be construed to give the licensing agency policy making authority, which remains with each board.

SECTION 4. IC 25-1-7-1, AS AMENDED BY P.L.82-2000, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. As used in this chapter:

"Board" means the appropriate agency listed in the definition of regulated occupation in this section.

"Director" refers to the director of the division of consumer protection.

"Division" refers to the division of consumer protection, office of the attorney general.

"Licensee" means a person who is:

- (1) licensed, certified, or registered by a board listed in this section; and
- (2) the subject of a complaint filed with the division.



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"Person" means an individual, a partnership, a limited liability company, or a corporation.

"Regulated occupation" means an occupation in which a person is licensed, certified, or registered by one (1) of the following:

- (1) Indiana board of accountancy (IC 25-2.1-2-1).
- (2) Board of registration for architects and landscape architects (IC 25-4-1-2).
- (3) Indiana auctioneer commission (IC 25-6.1-2-1).
- (4) State board of barber examiners (IC 25-7-5-1).
- (5) State boxing commission (IC 25-9-1).
- (6) Board of chiropractic examiners (IC 25-10-1).
- (7) State board of cosmetology examiners (IC 25-8-3-1).
- (8) State board of dentistry (IC 25-14-1).
- (9) State board of funeral and cemetery service (IC 25-15-9).
- (10) State board of registration for professional engineers (IC 25-31-1-3).
- (11) Indiana state board of health facility administrators (IC 25-19-1).
- (12) Medical licensing board of Indiana (IC 25-22.5-2).
- (13) Indiana state board of nursing (IC 25-23-1).
- (14) Indiana optometry board (IC 25-24).
- (15) Indiana board of pharmacy (IC 25-26).
- (16) Indiana plumbing commission (IC 25-28.5-1-3).
- (17) Board of podiatric medicine (IC 25-29-2-1).
- (18) Board of environmental health specialists (IC 25-32-1).
- (19) State psychology board (IC 25-33).
- (20) Speech-language pathology and audiology board (IC 25-35.6-2).
- (21) Indiana real estate commission (IC 25-34.1-2).
- (22) Indiana board of veterinary medical examiners (IC 15-5-1.1).
- (23) Department of natural resources for purposes of licensing water well drillers under IC 25-39-3.
- (24) Respiratory care committee (IC 25-34.5).
- (25) Private detectives licensing board (IC 25-30-1-5.1).
- (26) Occupational therapy committee (IC 25-23.5).
- (27) Social worker, marriage and family therapist, and mental health counselor board (IC 25-23.6).
- (28) Real estate appraiser licensure and certification board (IC 25-34.1-8).
- (29) State board of registration for land surveyors (IC 25-21.5-2-1).
- (30) Physician assistant committee (IC 25-27.5).



- (31) Indiana athletic trainers board (IC 25-5.1-2-1).
- (32) Indiana dietitians certification board (IC 25-14.5-2-1).
- (33) Indiana hypnotist committee (IC 25-20.5-1-7).
- (34) Indiana physical therapy committee (IC 25-27).
- (35) **Indiana home inspectors licensing board (IC 25-20.2-2-1).**
- (36) Any other occupational or professional agency created after June 30, 1981.

SECTION 5. IC 25-1-8-1, AS AMENDED BY P.L.82-2000, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. As used in this chapter, "board" means any of the following:

- (1) Indiana board of accountancy (IC 25-2.1-2-1).
- (2) Board of registration for architects and landscape architects (IC 25-4-1-2).
- (3) Indiana auctioneer commission (IC 25-6.1-2-1).
- (4) State board of barber examiners (IC 25-7-5-1).
- (5) State boxing commission (IC 25-9-1).
- (6) Board of chiropractic examiners (IC 25-10-1).
- (7) State board of cosmetology examiners (IC 25-8-3-1).
- (8) State board of dentistry (IC 25-14-1).
- (9) State board of funeral and cemetery service (IC 25-15).
- (10) State board of registration for professional engineers (IC 25-31-1-3).
- (11) Indiana state board of health facility administrators (IC 25-19-1).
- (12) Medical licensing board of Indiana (IC 25-22.5-2).
- (13) Mining board (IC 22-10-1.5-2).
- (14) Indiana state board of nursing (IC 25-23-1).
- (15) Indiana optometry board (IC 25-24).
- (16) Indiana board of pharmacy (IC 25-26).
- (17) Indiana plumbing commission (IC 25-28.5-1-3).
- (18) Board of environmental health specialists (IC 25-32-1).
- (19) State psychology board (IC 25-33).
- (20) Speech-language pathology and audiology board (IC 25-35.6-2).
- (21) Indiana real estate commission (IC 25-34.1-2-1).
- (22) Indiana board of veterinary medical examiners (IC 15-5-1.1-3).
- (23) Department of insurance (IC 27-1).
- (24) State police department (IC 10-1-1-1), for purposes of certifying polygraph examiners under IC 25-30-2.
- (25) Department of natural resources for purposes of licensing



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water well drillers under IC 25-39-3.

(26) Private detectives licensing board (IC 25-30-1-5.1).

(27) Occupational therapy committee (IC 25-23.5-2-1).

(28) Social worker, marriage and family therapist, and mental health counselor board (IC 25-23.6-2-1).

(29) Real estate appraiser licensure and certification board (IC 25-34.1-8).

(30) State board of registration for land surveyors (IC 25-21.5-2-1).

(31) Physician assistant committee (IC 25-27.5).

(32) Indiana athletic trainers board (IC 25-5.1-2-1).

(33) Board of podiatric medicine (IC 25-29-2-1).

(34) Indiana dietitians certification board (IC 25-14.5-2-1).

(35) Indiana physical therapy committee (IC 25-27).

**(36) Indiana home inspectors licensing board (IC 25-20.2-2-1).**

**(37)** Any other occupational or professional agency created after June 30, 1981.

SECTION 6. IC 25-1-11-1, AS AMENDED BY P.L.82-2000, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. As used in this chapter, "board" means any of the following:

(1) Indiana board of accountancy (IC 25-2.1-2-1).

(2) Board of registration for architects and landscape architects (IC 25-4-1-2).

(3) Indiana auctioneer commission (IC 25-6.1-2).

(4) State board of barber examiners (IC 25-7-5-1).

(5) State boxing commission (IC 25-9-1).

(6) State board of cosmetology examiners (IC 25-8-3-1).

(7) State board of registration of land surveyors (IC 25-21.5-2-1).

(8) State board of funeral and cemetery service (IC 25-15-9).

(9) State board of registration for professional engineers (IC 25-31-1-3).

(10) Indiana plumbing commission (IC 25-28.5-1-3).

(11) Indiana real estate commission (IC 25-34.1-2-1).

**(12) ~~Until July 1, 1996, Indiana State board of television and radio service examiners (IC 25-36-1-4).~~ Indiana home inspectors licensing board (IC 25-20.2-2-1).**

(13) Real estate appraiser licensure certification board (IC 25-34.1-8).

(14) Private detectives licensing board (IC 25-30-1-5.1).

SECTION 7. IC 25-1-11-8.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

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1, 2001]: **Sec. 8.5. A practitioner licensed to practice as a licensed home inspector or a licensed associate home inspector is subject to the disciplinary sanctions under section 12 of this chapter if, after a hearing, the board finds the practitioner violated any of the following standards of practice:**

(1) **Disclosing information concerning the results of a home inspection without the approval of a client or the client's legal representative, except under a court order.**

(2) **Accepting compensation for the same service from more than one (1) interested party without the consent of all interested parties.**

(3) **Accepting commissions or allowances, directly or indirectly, from other parties dealing with the practitioner's client in connection with work for which the practitioner is responsible.**

(4) **Failing to disclose to a client information about a business interest of the practitioner that may affect the client in connection with the home inspection.**

(5) **Knowingly making a false representation about the condition of the premises covered by an inspection or about the extent of the services to be performed.**

(6) **Committing a felony in the course of the practice of home inspection or committing any act constituting a violation of IC 25-20.2-3-2(a)(3)(A) or IC 25-20.2-3-2(a)(3)(B).**

**SECTION 8. IC 25-20.2 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]:**

**ARTICLE 20.2. HOME INSPECTORS**

**Chapter 1. Application and Definitions**

**Sec. 1. This article does not apply to the following:**

(1) **A person who is employed as a code enforcement official by the state or a political subdivision and who acts within the scope of the person's employment.**

(2) **A person who is:**

(A) **registered as an architect under IC 25-4-1;**

(B) **registered as a professional engineer under IC 25-31;**  
**or**

(C) **licensed as a plumbing contractor or journeyman plumber under IC 25-28.5;**

**and who acts within the scope of the person's registration or license.**

(3) **A person who is licensed under IC 25-34.1 as a real estate**

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broker, broker-salesperson, or salesperson and who acts within the scope of the person's license.

(4) A person who is:

(A) licensed as a real estate appraiser; or

(B) certified as a general or residential real estate appraiser;

under IC 25-34.1 and who acts within the scope of the person's license or certificate.

(5) A person who is regulated by the state as an insurance adjuster and who acts within the scope of the person's profession.

(6) A person who is licensed, certified, or registered under IC 15-3-3.6 to use pesticides or is certified to inspect for pests and who acts within the scope of the practice for which the person is licensed, certified, or registered.

(7) A person who makes home inspections under the supervision of a licensed home inspector to meet the requirements of this article for licensure as a home inspector or an associate home inspector.

(8) A tradesperson or home builder who holds a license, certificate, registration, or permit from a political subdivision and who acts within the scope of the person's license, certificate, registration, or permit.

Sec. 2. The definitions in this chapter apply throughout this article.

Sec. 3. "Board" refers to the Indiana home inspectors licensing board established by IC 25-20.2-2-1.

Sec. 4. "Client" means a person who hires or seeks to hire a licensed home inspector or a licensed associate home inspector to obtain an inspection of and a written report on the condition of a residential building.

Sec. 5. "Home inspection" means a noninvasive physical examination that is performed on real property and:

(1) examines, through visual means and the normal user controls, without the use of mathematical sciences, the:

(A) mechanical, electrical, or plumbing systems; or

(B) structural or other essential components;

or both, of a residential dwelling; and

(2) is designed to identify visible defects in and the current condition of the systems, structures, and components described in subdivision (1).

The term does not include an inspection conducted by a

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governmental entity, including a code compliance inspection.

Sec. 6. "Home inspection report" means a written report prepared and issued after a home inspection.

Sec. 7. "Licensed associate home inspector" means a person who is licensed as an associate home inspector under this article.

Sec. 8. "Licensed home inspector" means a person who is licensed as a home inspector under this article.

Sec. 9. "Licensee" means a person who performs home inspections and who is a licensed home inspector or a licensed associate home inspector.

Sec. 10. "Licensing agency" refers to the Indiana professional licensing agency established by IC 25-1-6-3.

Sec. 11. "Residential dwelling" means a structure consisting of at least one (1) but not more than five (5) dwelling units, whether occupied or unoccupied.

## **Chapter 2. Indiana Home Inspectors Licensing Board**

Sec. 1. The Indiana home inspectors licensing board is created.

Sec. 2. The board is composed of seven (7) members, all of whom must be Indiana residents, appointed by the governor as follows:

(1) Three (3) members who:

(A) are licensed home inspectors; and

(B) have been actively engaged in the practice of performing home inspections in Indiana for at least five (5) years before their appointment to the board.

(2) One (1) member who:

(A) is a home builder; and

(B) has been actively engaged in the practice of home building in Indiana for at least five (5) years before the member's appointment to the board.

(3) One (1) member who:

(A) is a licensed real estate salesperson under IC 25-34.1-3-3.1 or a licensed real estate broker under IC 25-34.1-3-4.1; and

(B) has been actively engaged in the practice of residential real estate sales in Indiana for at least five (5) years before the member's appointment to the board.

(4) Two (2) members who represent the general public and are not associated with the real estate business in any way other than as a consumer.

Sec. 3. (a) Except as provided in subsection (b), the term of office for each member of the board is three (3) years.

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1 (b) A member holds office until a successor is appointed and  
2 qualified. A member serves at the pleasure of the governor.

3 (c) If a vacancy occurs on the board, the governor shall appoint  
4 an individual to serve the unexpired term of the previous member  
5 or until a successor is appointed and qualified.

6 (d) A member may not serve on the board for more than six (6)  
7 consecutive years.

8 Sec. 4. (a) The board shall elect from its membership a  
9 chairperson and a vice chairperson. The chairperson and the vice  
10 chairperson shall serve in that capacity for one (1) year and until  
11 a successor is elected. However, the chairperson and the vice  
12 chairperson may not serve in that capacity for more than two (2)  
13 consecutive years.

14 (b) The chairperson shall preside at all meetings. The vice  
15 chairperson shall preside at meetings in the absence of the  
16 chairperson and shall perform other duties as the chairperson may  
17 direct.

18 Sec. 5. The licensing agency shall perform the duties and  
19 functions of the board prescribed under IC 25-1-6.

20 Sec. 6. (a) The board shall meet at least two (2) times each  
21 calendar year upon the call of the chairperson or the written  
22 request of a majority of the members of the board.

23 (b) The chairperson shall establish the time and place for each  
24 meeting.

25 (c) A majority of the current members of the board constitutes  
26 a quorum for the purpose of transacting business at a meeting. The  
27 board may take action only upon the affirmative vote of a majority  
28 of the members appointed to the board.

29 Sec. 7. (a) Each member of the board is entitled to the minimum  
30 salary per diem as provided by IC 4-10-11-2.1(b).

31 (b) Each member of the board is entitled to reimbursement for  
32 traveling expenses as provided under IC 4-13-1-4 and other  
33 expenses actually incurred in connection with the member's duties,  
34 as provided in the state policies and procedures established by the  
35 Indiana department of administration and approved by the budget  
36 agency.

37 (c) The compensation and expenses of board members and the  
38 expenses of the board shall be paid from the general fund.

39 Sec. 8. The board may:

40 (1) administer and enforce this article;

41 (2) adopt rules under IC 4-22-2 and prescribe forms for  
42 licenses, applications, and other documents that are necessary

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or appropriate for the administration and enforcement of this article;

(3) issue, deny, suspend, and revoke licenses in accordance with this article and IC 25-1-11;

(4) subject to IC 25-1-7, investigate complaints concerning licensees or persons the board has reason to believe should be licensees, including complaints respecting failure to comply with this article;

(5) bring actions in the name of the state of Indiana in an appropriate circuit court to enforce compliance with this article;

(6) inspect the records of a licensee in accordance with the rules and standards prescribed by the board;

(7) conduct, or designate a member or other representative to conduct, public hearings on any matter for which a hearing is required under this article and exercise all powers granted under IC 4-21.5;

(8) through the executive director of the licensing agency, certify copies and authenticate all acts of the board;

(9) use consultants and other persons who are necessary or appropriate to administer and enforce this article;

(10) enter into contracts and authorize expenditures that are necessary or appropriate, subject to IC 25-1-6, to administer and enforce this article;

(11) maintain the board's office, files, records, and property in the city of Indianapolis;

(12) adopt rules to establish, prescribe, or change fees for licenses, renewal licenses, examinations, sanctions, penalties, or other services provided under this article;

(13) subject to IC 25-1-11, issue probationary licenses;

(14) establish standards for licensed home inspectors who serve as supervisors for licensed associate home inspectors under IC 25-20.2-3-3(e); and

(15) exercise any other powers specifically conferred on the board by this article.

**Sec. 9. The board shall adopt rules under IC 4-22-2 establishing the following:**

(1) Standards for the competent practice of home inspections.

(2) A code of ethics for licensed home inspectors and licensed associate home inspectors.

(3) Report writing standards for licensed home inspectors and licensed associate home inspectors.



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1       **Sec. 10. The licensing agency shall receive and account for all**  
 2 **funds collected and transfer the money to the treasurer of state for**  
 3 **deposit in the general fund.**

4       **Chapter 3. Licensing**

5       **Sec. 1. A person may not conduct a home inspection for**  
 6 **compensation in Indiana without a license as a home inspector or**  
 7 **an associate home inspector.**

8       **Sec. 2. (a) To obtain a home inspector license, an individual**  
 9 **must:**

- 10       (1) be at least eighteen (18) years of age;
- 11       (2) have graduated from high school or earned a state of
- 12       Indiana general educational development (GED) diploma;
- 13       (3) not have a conviction for:
  - 14           (A) an act that would constitute a ground for disciplinary
  - 15           sanction under IC 25-1-11; or
  - 16           (B) a crime that has a direct bearing on the individual's
  - 17           ability to practice competently;
- 18       (4) pay the fee established by the board;
- 19       (5) pass a written examination prepared and administered by
- 20       the board or its duly appointed agent;
- 21       (6) secure, maintain, and file with the board a certificate of
- 22       insurance that:
  - 23           (A) provides for general liability coverage in an amount of
  - 24           not less than one hundred thousand dollars (\$100,000);
  - 25           (B) lists the state as an additional insured; and
  - 26           (C) is backed by a policy stating that cancellation and
  - 27           nonrenewal of the policy is not effective unless at least ten
  - 28           (10) days notice of the cancellation or nonrenewal has been
  - 29           received in writing by the board;
- 30       (7) have performed at least two hundred fifty (250) home
- 31       inspections that were verified by the board and found to be in
- 32       compliance with the home inspection standards established by
- 33       the board; and
- 34       (8) have been licensed as an associate home inspector for at
- 35       least one (1) year.

36       (b) The biennial renewal of licenses is subject to IC 25-1-11.

37       (c) A licensed home inspector may renew a license upon paying

38 the renewal fee established by the board.

39       **Sec. 3. (a) To obtain an associate home inspector license, an**  
 40 **individual must:**

- 41       (1) meet the requirements for licensure under section 2(a)(1)
- 42       through 2(a)(6) of this chapter;



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(2) become associated with a licensed home inspector who will supervise the home inspections required under section 2(a)(7) of this chapter for a home inspector license; and

(3) have completed a board approved training program or course of study and successfully passed an exit examination.

(b) An associate home inspector license expires one (1) year after the date of issuance of the license.

(c) A licensed associate home inspector may renew an associate home inspector license upon paying the renewal fee established by the board.

(d) A person may not hold an associate home inspector license for more than five (5) years. If after holding an associate home inspector license for five (5) years, a licensed associate home inspector has not met all the requirements to become a licensed home inspector, the person's associate home inspector license expires. A person whose associate home inspector license has expired under this subsection may reapply for a new associate home inspector license under subsection (a).

(e) To meet the requirement in section 2(a)(7) of this chapter for licensure as a home inspector, a licensed associate home inspector must perform two hundred fifty (250) home inspections under the supervision of one (1) or more board approved licensed home inspectors under the following conditions:

(1) The licensed home inspector shall attend and supervise at least ten (10) home inspections performed by the licensed associate home inspector, at intervals determined by the board, and provide comments and guidance to ensure the licensed associate home inspector's compliance with the standards of practice, code of ethics, and report writing standards established by the board under IC 25-20.2-2-9.

(2) The licensed home inspector shall review at least two hundred forty (240) additional home inspection reports and provide comments and guidance to ensure the licensed associate home inspector's compliance with the standards of practice, code of ethics, and report writing standards established by the board under IC 25-20.2-2-9.

(3) The licensed associate home inspector and the licensed home inspector shall maintain separate logs of all supervised home inspections. The log must contain at least the following information:

(A) the client's name and address;

(B) the address of the inspected property;

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(C) the date of the inspection;

(D) the date the written report was reviewed by the licensed home inspector; and

(E) any appropriate comments.

(4) The supervising licensed home inspector may establish, with board approval, additional and appropriate training to advance the skills of the licensed associate home inspector.

(5) The supervising licensed home inspector may charge a fee for the person's service as a supervising inspector.

Sec. 4. (a) A resident of another state who substantially meets the requirements of this article may be licensed as a home inspector in Indiana.

(b) A nonresident home inspector described in subsection (a) shall file with the board a written consent stating that:

(1) an action arising from the conduct of the licensee's business in Indiana may be commenced in the county in Indiana in which the cause of action accrues;

(2) service of process may be made upon the board as agent for the nonresident licensee; and

(3) service of process in accordance with the Indiana Rules of Trial Procedure subjects the licensee to the jurisdiction of the courts in the county in which the cause of action accrues.

Sec. 5. A licensee shall notify the board within thirty (30) days of any change of:

(1) name;

(2) name under which the licensee conducts business; or

(3) business address.

#### Chapter 4. Penalties

Sec. 1. (a) A person who performs home inspections for compensation without a license under this article as either a home inspector or an associate home inspector commits a Class B infraction. When entering a judgment for an infraction under this section, the court shall add to any penalty imposed the amount of any fee or other compensation earned in the commission of the infraction. Each transaction constitutes a separate infraction.

(b) In all actions for the collection of a fee or other compensation for performing home inspections, the party seeking relief must allege and prove that, at the time the cause of action arose, the party seeking relief was not in violation of this section.

#### Chapter 5. Liability and Immunity From Liability

Sec. 1. (a) A licensed home inspector or a licensed associate home inspector is not liable to a person for damages that arise

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from an act or omission relating to a home inspection unless:

- (1) the person is a party to the home inspection contract; or
- (2) the person is a party to a contemplated residential dwelling sale transaction with the person who is a party to the home inspection contract.

(b) A person who:

- (1) is a professional in Indiana;
- (2) acts within the scope of the person's profession; and
- (3) is not a licensed home inspector or a licensed associate home inspector;

is not liable for the findings, errors, or omissions of a home inspection unless the person has fraudulently provided or concealed information that induced a licensed home inspector's or a licensed associate home inspector's finding, error, or omission that is the basis of the claim.

(c) A person who in good faith recommends or endorses a licensed home inspector or a licensed associate home inspector without compensation or other consideration is not liable for the actions of the licensed home inspector or licensed associate home inspector, including errors, omissions, the failure to perform contracted duties of a home inspection, or the failure to meet the standards of practice established by the board.

**Sec. 2. A licensed home inspector, acting as a supervisor of:**

- (1) a licensed associate home inspector; or
- (2) a licensed home inspector or licensed associate home inspector placed on probation;

without charging a fee, is not liable to any person for damages that arise from an act or omission relating to a home inspection performed by a licensed associate home inspector or by a licensed home inspector or licensed associate home inspector placed on probation.

SECTION 9. IC 34-30-2-98.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: **Sec. 98.8. IC 25-20.2-5-1 and IC 25-20.2-5-2 (Concerning home inspections).**

SECTION 10. [EFFECTIVE JULY 1, 2001] (a) As used in this SECTION, the definitions under IC 25-20.2-2-1, as added by this act, apply to this SECTION.

(b) Notwithstanding IC 25-20.2, as added by this act, before January 1, 2003, a person is not required to be licensed under IC 25-20.2, as added by this act, to perform a home inspection or prepare a home inspection report.



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(c) Notwithstanding IC 25-20.2-3-2(a)(8), as added by this act, before July 1, 2003, the board may issue to an individual, upon the individual's application and payment of fees, a home inspector license if the individual:

(1) meets the requirements of IC 25-20.2-3-2(a)(1) through IC 25-20.2-3-2(a)(4) and IC 25-20.2-3-2(a)(6), as added by this act;

(2) has been engaged in the practice of home inspections for at least six (6) months; and

(3) has performed at least two hundred fifty (250) home inspections in Indiana.

(d) The board may consider and accept the successful completion of equivalent licensing requirements in another state instead of one (1) or more of the requirements of IC 25-20.2-3-2(a)(1) through IC 25-20.2-3-2(a)(6), as added by this act.

(e) This SECTION expires July 1, 2003.

SECTION 11. [EFFECTIVE JULY 1, 2001] (a) As used in this SECTION, "board" refers to the Indiana home inspectors licensing board established by IC 25-20.2-2-1, as added by this act.

(b) Notwithstanding IC 25-20.2-3-2(a)(5), as added by this act, an individual may be appointed to the board under IC 25-20.2-2-1, as added by this act, if the individual:

(1) meets the requirements of IC 25-20.2-3-2(a)(1) through IC 25-20.2-3-2(a)(4) and IC 25-20.2-3-2(a)(6), as added by this act;

(2) has been engaged in the practice of home inspections for at least six (6) months; and

(3) has performed at least two hundred fifty (250) home inspections in Indiana.

(c) Before August 1, 2001, the governor shall make the appointments required by this act. Notwithstanding IC 25-20.2-2-3(a), as added by this act, the initial appointments to the board made under IC 25-20.2-2-2, as added by this act, must be staggered so that:

(1) three (3) of the initial appointments are for three (3) years;

(2) two (2) of the initial appointments are for two (2) years; and

(3) two (2) of the initial appointments are for one (1) year.

(d) This SECTION expires December 31, 2005.



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